

Bright Ideas



A publication of the Intellectual Property Law Section
of the New York State Bar Association

Inside

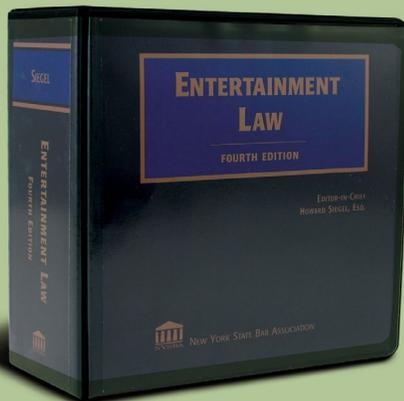
- Fair and Unfair Publishing Contracts: [How] Can Authors Protect Their Rights?
- Trademark Rights in Guitar Body Shapes
- CJEU Clarifies Hyperlinking Copyright Infringement



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Message from the Chair

With the sounds of holiday music filling the air and visions of trees bejeweled by lights in any direction you turn, it's hard to believe that another year has flown by! Fall has been quite a whirlwind, not only for our nation, but also for our Section. We had our usual share of great programs and also began or revived several new initiatives. Plans for a fantastic Annual Meeting are largely under way, and we're looking forward to an exciting 2017.



Just days after the future of the United States was decided by the presidential election, the IP Section held a timely and insightful program entitled "The Future of Intellectual Property." This was the Section's second annual full-day CLE program, again held at the offices of Kramer Levin. The program was led by Robin Silverman and Danielle Gorman, Co-Chairs of the Transactional Committee (Robin is also Vice Chair of the Section), and was another resounding success. The program offered a day of learning and reflection on a wide range of topics, presented by solo practitioners, in-house counsel, law firm partners, and government representatives. Of particular note, two of the panels provided rare opportunities to hear straight from those charged with making, implementing, and enforcing laws and regulations that impact intellectual property rights.

Kicking off the day was the panel "Intellectual Property Rights in a Post-Brexit World," which provided a unique look at IP protection through the eyes of T. Alexander Puutio, Communications and IT Section, UN Secretariat—Procurement Division, as well as an interesting multi-national branding perspective offered by Ainslee Schreiber, Vice President and Associate General Counsel at Starwood Hotels & Resorts Worldwide, Inc., and practical insights on the potential logistics of the Brexit decision shared by John Richards, Counsel at Ladas & Parry.

Another panel, "The USPTO Today and Tomorrow," provided a special opportunity to hear from Dan Vavonese, a Trademark Law Offices Group Director with the United States Patent and Trademark Office, on everything from how trademark applications are examined to impending changes in the trademark application process. Mr. Vavonese's insights, guided by former Section Chair and former USPTO Trademark Examining Attorney Charles Weigell, helped contextualize many of the USPTO's operations and shed light on the logistics of the application process many of us go through regularly as private practitioners. The last panel of the day delivered an intriguing look into legal and practical advertising issues raised by distribution of content through multi-media platforms and emerging technologies. Led by Davis & Gilbert partner Veejay G. Lalla, panelists Lori Mason, General Counsel of Complex Media, and James Mazlen, Senior Counsel of AMC Networks, provided an experience-driven, hands-on account of issues faced (or more accurately, posted or tweeted) in the ever-evolving world of online and

digital advertising. The day capped off with a well-attended networking cocktail reception attended by seasoned Section members, newcomers, and students. Thanks to program leaders Robin and Danielle, as well as to all the NYSBA and non-NYSBA organizers, panelists, and participants, our collective future in intellectual property certainly looks bright.

The end of 2016 also marks the beginning of several new or revived Section initiatives. At the suggestion of Section Fellow Daniel Forester, in 2017 we are pleased to be initiating a Cybersecurity and Data Privacy Committee. Cybersecurity and data privacy issues relate to a broad array of practitioners, including both those who do and do not practice in the field of intellectual property. There is not currently another NYSBA Section or committee dedicated to these topics, and we expect the programming and networking opportunities to have wide appeal. We encourage you to keep your eyes open for Cybersecurity and Data Privacy Committee-sponsored activities and to see for yourself what this Committee will have to offer.

Speaking of Committee offerings, for 2017 the Section's Executive Committee is also dedicated to starting, or in some cases bringing back, regularly scheduled Committee meetings to engage more regular participation of our members. By offering monthly or other regularly scheduled Committee meetings, Committee members will have enhanced opportunities to meet each other, share ideas, and keep abreast of the most current developments in the Committee's topic area(s) of interest. We are also aiming to build robust communities of Section members upstate and in other regions of New York that do not currently reflect high levels of Section activity. If these initiatives are appealing to you, please watch for updates. If you are interested in taking a leadership role, please don't hesitate to contact me.

Finally, we are eagerly planning another excellent Annual Meeting, to be held on Tuesday, January 24, 2017 from 8:45 a.m. to 5:30 p.m., reception to follow. Under the helm of Trademark Committee Chair Bill Samuels, with assistance from IP Fellows Daniel Forester and Leonie Huang, the program promises to cover a diverse range of interesting topics, including the FTC's paradigms relevant to social media; design protection; patent damages; attorney fee awards in trademark, patent, and copyright cases; and the IP law year in review. The Annual Meeting is always a great place to hone your skills, discuss recent legal developments, connect with old friends, and meet new ones. We look forward to seeing you there.

As you contemplate your New Year's resolutions, consider committing to engaging with the NYSBA. While you may have thought about increasing your involvement for a while, or started and stopped at various times, once you start coming to programs and events regularly, you'll realize you wish you had done so long ago—like all of our age-old gym resolutions, although enjoyably sustainable and accompanied by the added bonus of CLE credit.

Wishing all the happiest of holidays. Looking forward to seeing you in 2017!

Erica D. Klein

Fair and Unfair Publishing Contracts: [How] Can Authors Protect Their Rights?

By Gerald M. Levine and Sheila J. Levine

I. Introduction

In the United States authors' rights to enjoy the fruits of their labor are protected by the Constitution: "The Congress shall have power. . . to promote the progress of science and useful arts, by securing for limited times to authors . . . the exclusive right to their respective writings."¹ This Constitutional grant of legislative authority is author-friendly in affirming that authors are entitled to the potential rewards made possible by a time-limited monopoly.

However, while the benefits of copyright initially belong to authors, once they assign their rights to publishers and other content distributors, the copyright baton passes, and authors cede control to their transferees. What authors get in exchange for this ceding of control depends on the contractual terms to which they have agreed. This generally means accepting terms that in light of a work's reception may be considered unfair when viewed in retrospect.

While the intended ultimate beneficiary of the fruits of creation is the public,² before the monopoly expires and a work enters the public domain, the primary beneficiaries, the parties who propose the terms and will control the rights, are publishers and producers who edit, print, package, market, and distribute works to readers and audiences.

The current duration of copyright is the life of the author plus 70 years.³ While long copyright duration may create an illusion of value in the marketplace for authors, very few books enjoy shelf lives of more than a few years (and most substantially less) before they go out of print. The result is that most authors enjoy only short-term financial rewards unless their books remain on a publisher's active backlist, but the backlist is often a book's graveyard. The point has received substantial attention from one of the most astute commentators in the publishing industry, Mike Shatzkin. He notes in one of his Internet essays that authors "are right to leave and take matters into their own hands when [the backlist is inactive]." "Leaving," of course, depends on the terms and language of the "out of print" clause in the publishing contract.⁴

The conundrum is that while authors are the source of wealth, they are unlikely to receive a fair share of the profits from their works. The uneven distribution of profits between publishers and authors is not a modern phenomenon. It is explained by the economic law that in the commercial world the risk-taker receives the reward. A publisher's offer largely depends on its initial valuation

of a work. As a result, while authors make a significant economic contribution, they come as sellers to markets controlled by buyers whose goals center on return on investment. Authors get what they can negotiate in exchange for giving up their rights. The irrefutable truth is that books have to be bought by readers before anyone can earn a living or profit from them.

II. Framing the Issue of Fair Publishing Contracts

Unquestionably, the advantage of duration is with transferees. Standard publishing contracts provide for assignment of exclusive rights for the "full term of copyright." This provision does not completely reflect the Copyright Act (as we discuss further below), but unless authors have negotiated to retain some of the "basket of rights" (e.g., derivative, motion picture, television, dramatic) granted in section 106 of the Copyright Act, all of those rights are effectively owned and exploited by publishers and producers even if the copyright is registered in the author's name. The Copyright Act makes clear in the definition of "transfer of copyright ownership" that authors are conveying and alienating their rights unless and until they are reverted.⁵

In May 2015 the Authors Guild (AG), the oldest and largest professional organization for authors in the United States, announced its "Fair Contract Initiative: Eight Principles for Fair Contracts" to take a "fresh look at the standard book contract," which the Guild criticizes as outdated and skewed in favor of publishers. More recently the Society of Authors (SOA) in England⁶ supported, and the International Authors Forum (IAF) presented, its own Ten Principles for Fair Contracts.⁷ The issue of fairness to authors and performers has even reached the political level in the European Union with the publication on September 14, 2016, of a Proposal for a Directive of the European Parliament and of the Council on Copyright in the Single Digital Market.⁸

The IAF explained:

A contract is what governs *the relationship between authors and their business partners*, such as publishers or producers, and as such is vital in determining the working conditions of both parties. Too often it is imbalanced, favouring the preferences of the publisher. However, IAF wants to change this, and considers it vital that contracts enable authors to make a liv-

ing from their work and ultimately, of course, to continue to create (emphasis added).

The IAF also includes a Principle addressing moral rights, which is not a feature of U.S. copyright law except as it applies to certain works of visual art.⁹

The Proposed EU Directive acknowledges the plight of authors. It calls on Member States to “ensure that authors and performers are entitled to request additional, appropriate remuneration from the party with whom they entered into a contract for the exploitation of the rights when the remuneration originally agreed is disproportionately low compared to the subsequent relevant revenues and benefits derived from the exploitation of the works or performances.”¹⁰ In the SOA’s newsletter its chief executive “urged the UK government ‘to implement these clauses without delay,’ and for the provisions to be adopted in UK law, given that the directive is unlikely

evidence of their taking any action to offer more equitable contracts. For instance, the chief executive of the British Publishers Association responded as follows to the open letter from the SOA:¹⁶

Publishers share the frustration of the author community that it is increasingly difficult for authors to make a decent living from their writing. However, we locate the principal source of this problem not in the contractual relations between publisher and author but in deeper market factors.

While the calls to action are timely and address important concerns, they nevertheless resemble Glendower’s boast in *Henry IV, Part 1* that he “can call spirits from the vasty deep” to which Hotspur replies “Why, so can I, or so can any man; But will they come when you do call for them?”¹⁷

“There is no reason to believe publishers as investors think of the relationship with authors as anything other than an arm’s-length agreement for exclusive rights to exploit the monetary value of a work.”

to have effect until after Britain has left the EU.”¹¹ The International Federation of Journalists (IFJ) also welcomed the proposed EU directive strengthening authors’ contractual position.¹²

In their Principles, both the AG and IAF highlight and criticize the same “standard” contract provisions. Each core Principle from both organizations is connected to a clause generally found in current author/publisher agreements, including those addressing division of e-book profits, contract duration, ownership of copyright, non-compete and option clauses, reporting and payment of royalties, warranty and indemnification,¹³ and manuscript delivery and acceptance.¹⁴

In January 2016 authors’ organizations around the world followed up the Fair Contract initiatives with open letters to publishers demanding that they treat authors equitably by offering fairer contract terms. The international advocacy campaign is intended to “restore contractual balance to the author-publisher relationship and help authors achieve a fair return for the efforts they contribute to the *joint venture* of book publication.” However, to talk about authors and publishers as “business partners” and “joint venturers” fundamentally misrepresents the relationship. Even if they are not adversaries in the conventional sense, authors certainly need advocates.¹⁵

Despite the clamor created by the open letters, one year and counting into the Fair Contract campaigns, if publishers are listening there has been little if any public

III. Relative Negotiating Positions of Authors and Publishers

The first Principle of the AG Fair Contract Initiative is “The author-publisher partnership should be reflected in the author’s share of profits.” This fundamental Principle of the AG’s Initiative is an ideal: there is no “partnership” in the sense of sharing profits, only the contractual obligation to pay advances, bestseller and prize bonuses, and royalties.

Whatever may have been true in the past, the publishing universe is now dominated by the “Big 5,”¹⁸ which are themselves subsidiaries of global media empires. There is no reason to believe publishers as investors think of the relationship with authors as anything other than an arm’s-length agreement for exclusive rights to exploit the monetary value of a work. When their veneer as servants of culture is stripped away, publishers are investors in literary properties who are interested in return on investment. This is made abundantly clear by provisions in publishing agreements that implicitly (and in some agreements, explicitly) disclaim partnership or other joint venture arrangements with authors.

While the author advocacy initiatives are directed to all publishers, there is a wide range of contractual terms and attitudes toward negotiation and accepting changes. Many of the worst publishing contracts, which are offered to authors on a “take it or leave it” basis, come from self-publishing and print-on-demand businesses. Traditional

and university press publishers begin with boilerplate contracts but generally are more willing to negotiate terms for books they want to acquire.

IV. Agented and Unagented Authors

In their letter to publishers dated January 5, 2016,¹⁹ the AG identified two classes of authors and agents, claiming publishers do not treat them equally:

When negotiating with known agents, publishers often start from previously negotiated contracts that remove many of the most draconian provisions handed to unagented authors. Why not do the right thing by all authors and eliminate those provisions for everyone?

According to this view, authors represented by literary agents are in a better negotiating position than unrepresented authors or authors with less well known agents. In fact, many publishers will not even consider unagented manuscripts, although if a potentially “hot” unagented manuscript reaches an editor’s desk it will be acquired on the best terms that can be negotiated. In general, authors without literary agents or attorneys will be presented with boilerplate agreements which, although they naturally favor publishers, authors too often sign without reading.

While the author/publisher relationship is arm’s-length, insofar as the contract terms are concerned it is also personal. The parties have to be on good terms, since they need to work together after the contract is signed. However, there is no law that requires authors to sign form agreements. It is up to authors and their literary agents and lawyers to try through negotiation to correct “unfair” contract provisions, to reserve as many rights as possible for authors, or even to consider withdrawing from negotiations if a publisher refuses to change contract terms.

V. Specific Fair and Unfair Contract Terms

Publishing agreements contain two kinds of provisions: those that publishers believe are necessary to protect and enhance their investment, which are sacrosanct, and others that they are willing to modify. The AG Eight Principles for Fair Contracts are a mix of both. Regardless of whether an author is represented, the contract terms that impact the publisher’s return are essentially non-negotiable.

The AG’s Eight Principles for Fair Contracts are set out on a chart with three unnumbered columns headed “Principle,” “Fair Contract Terms,” and “Unfair Contract Terms.” As mentioned above, the first and fundamental Principle is “The author-publisher partnership should be reflected in the author’s share of profits.” The Fair Contract Term proposed by the AG for this Principle is “Authors should receive 50% of the publisher’s net profits

from e-book sales,” while the Unfair Term is “The 25% of e-royalties that is the industry standard today.”

The debate about the division of net profits from e-book sales between publishers and authors is at the heart of the Fair Contract Initiatives and has been debated within the industry since e-book sales became a significant part of the market. However, the Big 5 and most other publishers have been adamant in holding the line at 25 percent. Authors view this Unfair Contract Term as a draconian memorialization of the inherent financial imbalance between themselves as creators and publishers as exploiters. For productive authors with large sales, this unfairness is mitigated by receiving larger advances, which can be viewed as an unacknowledged increase in the royalty percentage for e-book sales.

The second AG Principle is “A publishing contract should be limited in duration.” The accompanying Fair Contract Term is “Time limits—or ‘use it or lose it’ limits—on the publisher’s right to exploit individual rights; time limits on the contract term as a whole.” The Unfair Contract Term is “Unlimited time for publishers to exploit rights and no or limited obligation for publishers to revert unexploited rights.” The duration of the contract clearly affects the publisher’s revenues and profits. Consequently, it is difficult to modify for any author or agent. It may be possible for authors to obtain a reversion of unsold subsidiary rights or terminate licenses if a book is out of print (which is possible if carefully defined in the contract), but the concept of a “use it or lose it” provision or a limited license for the contract as a whole has been unacceptable to print publishers. E-book publishers typically insist on rights for a stipulated but limited term of five to seven years.

The insistence on the “full term of copyright” as the standard term of license also reflects the importance of backlist books to publishers’ profitability, as already noted. It is well-known that the backlist is the financial backbone of the book industry, accounting for 25 to 30 percent of the average publisher’s sales. Current titles, known as the front list, are often a gamble: they can become bestsellers, but they are much more likely to disappear in a flood of returns from bookstores. By contrast, backlist books usually have more predictable sales and revenues.²⁰

The remaining six Principles in the AG Initiative in the order in which they appear are:

- Authors should be able to retain ownership of their copyrights;
- Authors must be able to publish subsequent books freely;
- Publishers’ accounting practices need to be more timely and transparent;
- Authors should not be unfairly deprived of royalties;

- Warranties and indemnification clauses shouldn't place all financial risk for violation of third-party rights on the author; and
- Delivery and acceptance provisions shouldn't give publishers a way out of publishing a book.

There are other clauses not mentioned by either AG or the other associations that authors should pay attention to, including derivative rights; preparing revised editions; ownership of character rights in ongoing book series;²¹ non-compete clauses that do not permit authors to use stipulated portions of their book for marketing or other purposes; dictating unfair reversion provisions that define "in print" as including print on demand and e-books; and an option that provides for the next book contract on the same terms. Without negotiation these terms unfairly favor publishers.

Other than unsatisfactory manuscript and warranty and indemnification claims, there has been virtually no litigation over any of the contract provisions addressed in the Fair Contract Initiatives. A number of actions against companies offering self-publishing services alleging fraudulent practices have been dismissed for failure to state claims.

VI. Statutory Termination Right Granted to Authors

The one area in which duration of copyright can make a significant difference to authors is for books that have a prolonged shelf life and ongoing economic value. Although publishers typically demand transfer of rights for the term of copyright (subject to out-of-print and reversion provisions), this grant is not enforceable under all circumstances and can be terminated well short of 70 years postmortem. The 1976 Copyright Act intervenes by granting authors a statutory reversion right to terminate exclusive licenses 35 or 40 years after the initial contract or publication of the work.²²

Congress recognized the imbalance of power between authors and transferees when it included in the 1976 Copyright Act a reversion right that if exercised can terminate an exclusive license.²³ The potential termination encourages (or compels) transferees to negotiate new contracts that reflect the current value of a property. While the statutory termination is not a new concept, it significantly improves upon the 1909 Act by making the termination right nonwaivable.

The House of Representatives stated in its Report that the purpose of the nonwaivable right of statutory termination was to "safeguard[] authors against unremunerative transfers [owing to their] unequal bargaining position . . . resulting in part from the impossibility of determining a work's prior value until it has been exploited."²⁴ The statutory rules are complicated, and the benefits conferred can be lost by failure to follow them.

VII. Conclusion

The value of copyright rests on the ability of authors and their advocates to modify the terms of publishers' standard contracts. The Principles of the Unfair Contract Initiatives laid out by AG and other author associations establish important standards of fairness but are aspirations that will not be fulfilled by wishing. Fairer contracts can only be achieved through negotiation and compromise by publishers, authors, literary agents, and lawyers.

Endnotes

1. U.S. Constitution, Article I Sec. 8, Cl. 8.
2. *The Authors Guild v. Google Books*, 804 F.3d 202 (2d Cir. 2015) ("while authors are undoubtedly important intended beneficiaries of copyright, the ultimate, primary intended beneficiary is the public, whose access to knowledge copyright seeks to advance by providing rewards for authorship").
3. 17 U.S.C. § 302(c). Works of corporate authorship, including works made for hire, have a copyright duration of 95 years from publication or 120 years from creation, whichever expires first.
4. "Publishers need to rethink their marketing deployments and tactics in the digital age to take advantage of their backlists." <http://www.idealogue.com/blog/publishers-need-rethink-marketing-deployments-and-tactics-digital-age-take-advantage-backlists/> (July 28, 2014).
5. 17 U.S.C. § 101: "A 'transfer of copyright ownership' is an assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright."
6. The SOA noted that "[s]tudies across the world have shown that authors' earnings are falling fast. Authors remain the only essential part of the creation of a book and it is in everyone's interests to ensure they can make a living. While there are many factors behind the decline, unfair contract terms, including reduced royalty rates, are a major part of the problem. So we want to address the issue before it is too late, and we're asking for your co-operation." <http://www.societyofauthors.org/News/News/2016/Jan/International-call-for-action-on-contracts>.
7. The 10 principles are contained in a covering letter dated August 10, 2016.
8. A copy of the Proposal can be found at <https://ec.europa.eu/digital-single-market/en/news/proposal-directive-european-parliament-and-council-copyright-digital-single-market>.
9. 17 U.S.C. § 106A.
10. Proposal, Art.15.
11. Nicola Solomon. The newsletter can be found at <https://www.theguardian.com/books/2016/sep/21/philip-pullman-calls-for-uk-to-adopt-eu-plans-to-protect-authors-royalties>.
12. <http://www.ifj.org/nc/news-single-view/backpid/1/article/ifjefj-welcome-proposed-eu-directive-strengthening-authors-contractual-position/>.
13. A typical contract term that an author can now expect to find requires the author to represent that "all factual statements in the Work are either true, if they purport to be based on Author's personal knowledge, or, if they are not based on Author's personal knowledge, are based on Author's reasonable and adequate research and are believed by Author to be true." See *In re A Little Million Pieces*, a class action composed of readers from at least five states who claimed to have been defrauded by Random House, Inc. and the author, James Frey, for misrepresenting the work as a memoir. The case was settled. Other typical warranties are (1) Author is the sole author of the Work; (2) the Work is original; (3) the Work has never been published in whole or in part in any form, and (4) the Work is not in the public domain in

any country in the Territory. Hachette recently filed a complaint in the Southern District of New York for breaches of these warranties, alleging that “[t]hat the manuscript delivered in 2016 is not ... original to [the author], but instead is in large part an appropriation of a 120-year-old public-domain work.” *Hachette Book Group v. Seth Grahame-Smith and Baby Gorilla, Inc.*, No. 16-cv-06752 (S.D.N.Y. filed Aug. 26, 2016).

14. New York courts have weighed in on the issue of the unsatisfactory manuscript clause. See *Random House, Inc. v. Gold*, 464 F. Supp. 1306 (S.D.N.Y.), *aff’d mem.*, 607 F.2d 998 (2d Cir. 1979) (“allowing unfettered license to publishers to reject a manuscript submitted under contract would permit ‘overreaching by publishers attempting to extricate themselves from bad deals’”); *Harcourt Brace Jovanovich, Inc. v. Goldwater*, 532 F. Supp. 619, 624 (S.D.N.Y. 1982) (“[P]ublisher could simply make a contract and arbitrarily change its mind and that would be an illusory contract”; *Doubleday & Co. v. Curtis*, 763 F.2d 495, 501 (2d Cir. 1985) ([termination must be] “made in good faith, and that the failure of the author to submit a satisfactory manuscript was not caused by the publisher’s bad faith”). In an unpublished decision, *HarperCollins Publishers, L.L.C. v. Arnell*, 600507/08 (S. Ct. N.Y. Cty. 2009), the court noted that “generally, a publisher may not terminate a book contract on the basis that a manuscript is unsatisfactory, if it has provided no editorial assistance to the author prior to submission of the manuscript.”
15. Nicola Solomon also stated that publishers “too often fail to give their authors full information on sales and exploitation of their work. Many more gain an unfair windfall when a work is an unexpected success but do not share any of that gain with authors. This unfairness leads to many authors no longer being able to make a living from writing and, if unchecked, threatens the creative excellence of our publishing industries.” <http://www.societyofauthors.org/News/News/2016/September/New-Safeguards-for-Authors-Proposed-in-EU-Draft-Di>.

16. Publishers Association chief executive, Richard Mollett, commented January 7, 2016, <http://www.publishers.org.uk/policy-and-news/news-releases/2016/the-pa-responds-to-soa-open-letter-on-author-contracts/>.
17. Act 3, Scene 1.
18. Hachette, HarperCollins, Macmillan, Penguin Random House, and Simon & Schuster.
19. AG’s January 5, 2016 letter can be read online at https://www.authorsguild.org/wp-content/uploads/2016/01/AAP-Open-Letter_Final-UPDATED-With-Logos1.pdf.
20. See *supra* note 4 and other essays by Shatzkin as well as regular articles in Publishers Weekly.
21. To take a prominent example: Tom Clancy accepted an offer from the Naval Institute Press as a first time author and signed its standard contract, which included an assignment of the copyright to the publisher. No one could have foreseen the extraordinary reception of *The Hunt for Red October*, but by signing the contract with that term he contracted away rights to the characters in the book. The matter was settled in arbitration.
22. 17 U.S.C. §§ 203 & 304.
23. The formulaic phrase “all continuations, extensions, and renewals thereof” typically found in publishing agreement does not override an author’s or heirs’ statutory rights provided in sections 203 (grant of right or publication after January 1, 1978) and 304(c) (grant of right or publication prior to January 1, 1978).
24. H.R. Rep. No. 1476, 94th Cong., 2d Sess. 124.

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CJEU Clarifies Hyperlinking Copyright Infringement

By Elaine O'Hare and Tom Collins

I. Introduction: The Rise of Hyperlinking

As online communication and the use of social media platforms such as Twitter, Facebook, and LinkedIn by both businesses and individuals have increased, so too has the practice of using hyperlinks to allow users to share and comment upon digital content. A large proportion of blog and social media posts involve directing others to external material such as news stories, pictures, videos, and sound files.

For the “posters,” the use of hyperlinks can allow greater flexibility and freedom of expression. And for copyright owners who have placed their work on the Internet in order to exploit it commercially, hyperlinks to their content on sites such as Twitter and LinkedIn can significantly increase website traffic, potentially leading to higher advertising revenue. However, where content such as leaked celebrity photographs or film clips has been released onto the Internet without authorization of the copyright owner, the ease with which other Internet users may hyperlink to, and therefore further publicize, the unauthorized material can cause serious harm.

In the recent case of *GS Media v. Sanoma*,¹ the Court of Justice of the European Union (CJEU) attempted to balance the right to freedom of expression and freedom of information on the Internet with the legitimate interests of copyright owners in protecting their rights.

II. The Legal Landscape

The legal basis for challenging those who hyperlink to copyright-protected material in the EU is the “communication to the public” right contained in Article 3(1) of the EU Copyright Directive, which provides copyright owners with the exclusive right to authorize or prohibit any communication to the public of their works. A series of high-profile cases that have recently come before the CJEU have helped to define the scope of what is meant by “communication to the public” in the context of hyperlinking. The most recent of these was *GS Media*, in which photographs of Dutch TV presenter Britt Dekker that were due to be published in *Playboy Magazine* in December 2011 were illegally leaked online prior to their official publication. GS Media operated a website that included hyperlinks directing users to websites where these photos could be found before they had been officially released. The publisher of *Playboy* claimed that by posting such hyperlinks, GS Media had infringed the photographer’s copyright.

In a landmark decision issued on September 8, 2016, the CJEU ruled that the posting of a hyperlink to works protected by copyright and published without the au-

thor’s consent does *not* necessarily constitute a “communication to the public,” subject to certain conditions being fulfilled. The CJEU made the following key findings:

1. If the content is freely accessible and has been posted with the consent of the author, linking to this content will not in itself be an infringement.
2. If the content is only available to a limited audience, such as paying subscribers, then posting a hyperlink that circumvents a paywall or other restriction *can* amount to an infringement. The rationale behind this is that the content is being made available to a “new public” that would not otherwise have had free access to the material.
3. If there is no profit-making activity associated with posting a hyperlink, liability will be established only if the poster knew, or ought to have known, that the content being linked to was published illegally (for example owing to a notice received from the copyright owner).
4. If a hyperlink is posted “for profit”:
 - a. The poster will be expected to carry out “necessary checks” to ensure that the content being linked to has not been illegally published; and
 - b. If the content being linked to was published without the owner’s consent, there is a presumption that the poster had knowledge of the protected nature of the work and lack of consent. Unless this presumption is rebutted, the linking will be copyright infringement.

The court held that GS Media was liable because it had been notified by *Playboy* that the photographs it was providing links to had been published online illegally. This knowledge brought GS Media’s hyperlinking within the meaning of a “communication to the public.”

III. Practical Implications

The practical implications of *GS Media* for companies with an online presence, particularly those that profit from sharing links to digital content, could be significant. So far, the ruling has divided opinion, since while the court undoubtedly sought to strike a fair balance between protecting the interests of rights holders and preserving freedom of expression, there are uncertainties as to how this will work in practice.

Pending further guidance and clarification from the courts on the meaning of posting “for profit” and the “necessary checks” required to avoid liability, businesses

that may be particularly vulnerable to being affected by this precedent should consider the following practical advice:

- Ensure that any hyperlinks posted do not provide access to material that would not otherwise be freely available (such as circumventing a paywall).
- Consider carefully the websites you are linking to. If a site obviously contains infringing material, such as a film or song leaked prior to its official release, there is a risk of infringement even if there is no financial motive to share a hyperlink to this material.
- Respond promptly to takedown requests from rights holders. Once notice has been given and

the nature of the Internet is such that as soon as some objectionable hyperlinks are removed, others may pop up on other websites, the ability to better control the number of hyperlinks is bound to help reduce visitors to websites hosting illegal content and make it easier for copyright owners to police the wider dissemination, and the commercialization, of their material.

If there is certain content that businesses are particularly sensitive about protecting from dissemination over the Internet, it is advisable to implement technical measures such as paywalls or web-protecting software. Introducing clear terms and conditions on the website, including that linking is not permitted without consent, may further deter hyperlinking (although may not be entirely desirable commercially).

“The CJEU ruled that the posting of a hyperlink to works protected by copyright and published without the author’s consent does not necessarily constitute a ‘communication to the public,’ subject to certain conditions being fulfilled.”

knowledge of the protected nature of the work and lack of consent is established, if you continue to link to the content, you run a high risk of liability for copyright infringement.

- Consider contacting rights holders directly to seek authorization before linking to their content.

While *GS Media* may inevitably cause concern for businesses that use hyperlinks on a daily basis, copyright owners that invest time and resources in producing high-quality copyrighted works will no doubt welcome this clarification of their rights. In the UK, copyright vests automatically upon the creation of certain original works including music, videos, photographs, and even databases, without the need for registration. Technology companies developing innovative products and ideas therefore will have a wealth of material that may attract copyright protection, such as video footage or photographs of new products, product databases, design specifications, and marketing plans.

It is not uncommon for copyrighted material to be released online without the consent of the author, for example leaked specifications of new mobile telephone models or video footage of popular TV shows. The implication of *GS Media* is that owners of such content will not only be able to take action against those responsible for initially leaking the material but may also use a notice-and-takedown request to a business or individual linking to the material to oblige them to remove the hyperlinks or risk an infringement action. This will be particularly helpful in situations where the original poster cannot be identified or located, as is often the case online. Although

IV. The Future Balance of Rights

In an increasingly connected and cyber-dependent society, the trend of hyperlinking to digital content, particularly across social media platforms, is unlikely to abate. While the CJEU in *GS Media* has, to a certain extent, clarified the rules on linking to copyright protected material, the practical steps required to comply with such rules are not entirely clear. It remains to be seen exactly how businesses profiting from hyperlinking can overcome the presumption that they were aware of the illegal publication. Further guidance from the courts will be welcome in order to determine the precise boundaries.

In the meantime, we are likely to see increased enforcement activity against entities such as *GS Media* that profit from directing Internet traffic to illegal sites. There is also no doubt that a more cautious approach toward hyperlinking should be taken by all businesses that make use of it. However, it would seem that the risks of becoming embroiled in copyright litigation over hyperlinking can be managed by undertaking sensible checks before linking to third-party content and complying quickly with any takedown requests from copyright owners.

Endnote

1. *GS Media BV v. Sanoma Media Netherlands BV and Others*, Case C-160/15, 8 September 2016.

Elaine O’Hare is a senior associate and Tom Collins is an associate, both focusing on intellectual property law, at Stevens & Bolton LLP in the UK.

Section Activities

14th Annual Women in Intellectual Property Law

On June 8, 2016, the Section hosted its **14th Annual Women in Intellectual Property Law** program. The event was hosted by Kramer Levin Naftalis & Frankel LLP. A perennial favorite among annual Section programs, the event was well attended by women attorneys practicing in New York, with a good mix of both private practice lawyers and in-house counsel. A wonderful networking opportunity, the evening began, as it always does, with an hour-long wine and hors d'oeuvres reception. Attorneys practicing in intellectual property took the opportunity to reconnect with friends in the field and share career stories with new acquaintances.



The official program began with a welcome message from Erica Klein, Section Chair, delivered via video, as she was traveling overseas for business. Then, before introducing the distinguished panel, Program Chair Joyce Creidy announced a list of recent achievements of several of the program's attendees, which she had solicited from the audience members prior to the event. Joyce reminded the audience of the importance of taking time to celebrate individual achievements, both one's own and those of fellow friends and colleagues.

Panelists Gaby L. Longsworth, Ph.D. (Sterne Kessler Goldstein Fox), Patrice P. Jean (Hughes Hubbard & Reed LLP), Chehrazade Chemcham (Colgate-Palmolive Company), and Stacey Abiraj (HBO) took turns sharing the narratives of their careers, how they got to where they are now, the struggles along the way, and the perseverance and wisdom that brought them each success in their professional as well as personal lives. The panelists came from diverse backgrounds and faced varied challenges on the way to achieving personal and professional success. As has become a tradition at this event, the panelists offered inspiration to the audience to reach higher and press forward toward their goals.

Ms. Jean reminded the audience to keep an open mind and not to ever be afraid, as opportunities are everywhere and may well come from unlikely places. Work hard and give your all, but don't forget to take time to

reassess your life often. Networking is essential, Ms. Jean reminded us—doing it at work can lead to a promotion, and doing it outside of the office can lead to any number of new opportunities. Most of all, she advised, always help others.

Ms. Chemcham urged those in attendance to define success by their own standards, not to let others define it for you. There may come a time in your life when you need to step

back from work and focus on other aspects of your life. Do not fear readjusting your priorities to address these life challenges, she counseled.

Ms. Abiraj advised the attorneys to actively seek balance in their lives because it will not occur otherwise. Take chances and go with your instincts; they will lead you to new and exciting challenges.

Dr. Longsworth advocated tenacity and ambition in pursuit of goals but also cautioned to never forget that relationships are the key to success. Face-to-face interactions are a must in a law firm, and in most professional settings. Meet people in your office, talk to people you would not normally interact with in your daily routine, and be visible. Above all, Dr. Longsworth advised, know what you want or you'll never get there.

Ms. Creidy closed out the panel discussion addressing the group with what has become this year's theme: "If you want to go fast, go alone. If you want to go far, go together."

The program concluded with coffee and desserts sponsored by Thomson CompuMark and with the annual raffle of a generous assortment of gifts provided courtesy of: Brooks Brothers, Coach, Henry Bendel, L'Oreal, Coty, Revlon, Physique 57, Colgate-Palmolive Company, Singer, Soul Cycle, and NOMI Network.

**Lindsey Utrata
Baker & McKenzie LLP**

Editor's note: My apologies to the organizers and participants for the inadvertently belated publication of this report.



Scenes from Women in IP

June 8 | New York City





Scenes from Women in IP

June 8 | New York City





SCENES FROM ANNUAL MEETING





SCENES FROM ANNUAL MEETING



Trademark Rights in Guitar Body Shapes

By David Ma

I. Introduction

Copyright protection and design patent registrations are of limited duration, while a trademark registration can be renewed perpetually as long as the mark continues to be used in commerce. Over the years, instrument manufacturers have tried to secure protection for the shape of guitars by filing for trademark registration. This article examines a few of these cases and provides some advice for instrument makers.¹

II. Registrability of a Guitar Shape as a Trademark

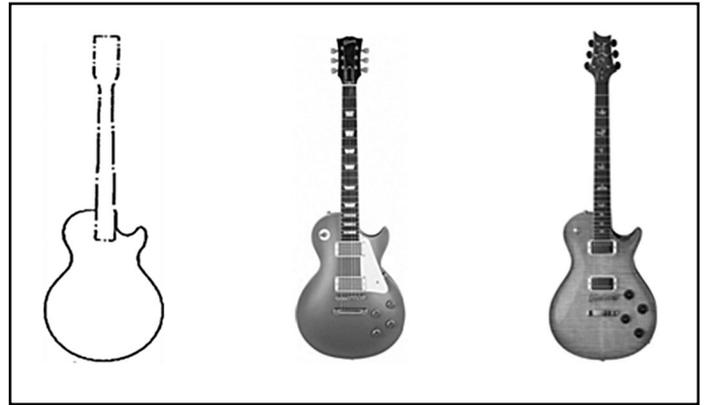
While trademark, copyright, and design protection may co-exist,² not all product shapes are registrable as a trademark. The shape of a guitar body is a trade dress, and, more specifically, a product design. In order to obtain trademark registration for a product design, the design must satisfy all of the following criteria:

1. *Non-functional*: The shape of the guitar body as a whole must not be functional, i.e., it must not be essential to the use or purpose of the article or affect the cost or quality of the article.³ This is because the exclusive use of a functional feature would put competitors at a significant non-reputation-related disadvantage.⁴
2. *Distinctive*: As a product design trade dress, the shape of the guitar body is not inherently distinctive as a matter of law.⁵ Therefore the applicant must show that the trade dress has acquired distinctiveness through use. This may be shown by evidence of exclusive and continuous use in commerce, substantial sales, and advertising educating the public as to the source-significance of the shape. The applicant must show that consumers associate the shape with the manufacturer and that the shape serves as an identifier of the source of the product.
3. *Non-generic*: The product design must not have become generic through use by third parties.⁶

III. Gibson Guitar Corp. v. Paul Reed Smith Guitars, LP⁷

In 1989, Gibson Guitar Corp. (“Gibson”) filed for trademark registration of the Les Paul (“LP”) body shape for guitars (“LPTM”),⁸ which was successfully registered in 1993 on the ground of acquired distinctiveness and became incontestable in 1999.⁹

In 2000, Gibson sued Paul Reed Smith Guitars, LP (“PRS”) in federal district court in Nashville, Tennessee



The LPTM, the Gibson Les Paul, and the PRS Singlecut

for trademark infringement, counterfeiting, false designation of origin, and dilution under the Lanham Act, as well as for unfair competition, fraud, and deceptive business practices under state law for its sale of the single-cut model (“PRS Singlecut”). PRS counterclaimed that (i) the LPTM mark was invalid and unenforceable; (ii) any trade dress associated with the LP was not protected or unenforceable; and (iii) the PRS Singlecut did not infringe the LPTM or any other trade dress.

The district court granted summary judgment in favor of Gibson on its trademark infringement claim and rejected all of PRS’s counterclaims. The district court found that the incontestable LPTM mark had acquired secondary meaning and was not generic,¹⁰ and it rejected PRS’s claim that the LPTM was functional on the ground that the shape of the LP guitar with the knobs and switches constituted “more than the sum of their individual roles and collectively create a unique guitar.”¹¹ The court then considered the eight-factor likelihood of confusion test¹² and concluded that most factors favored Gibson,¹³ including the presence of initial interest confusion because of the similarity of the single-cut design between the LP and the PRS Singlecut,¹⁴ although the court found there would be no point-of-sale confusion because of the high price and clear marking found on the guitars.¹⁵

For unknown reasons, the parties then jointly asked the court to dismiss all the trade dress claims.¹⁶ The court subsequently issued a permanent injunction barring PRS from manufacturing or trading the PRS Singlecut.¹⁷

On appeal, the Sixth Circuit found that the district court had erred by confusing trademark and trade dress protection. The court noted that the LPTM, as a two-dimensional silhouette, did not include the other design features of the LP guitar (i.e., the location and style of knobs, the switches, and the hardware).¹⁸ As the parties had vol-

untarily dismissed the trade dress claims, only the trademark claim was properly before the Court of Appeals.

Gibson argued that the PRS Singlecut would likely cause confusion among consumers as to its source.¹⁹ The Sixth Circuit disagreed with the district court's finding of initial interest confusion and found instead that no theory of confusion could be established, especially as Gibson conceded that there was no point-of-sale confusion. The Sixth Circuit thus reversed the district court's ruling, vacated the permanent injunction, denied all other claims and motions as moot, and remanded the case with instructions that summary judgment be entered in favor of PRS.

In its ruling, the Sixth Circuit rejected Gibson's argument that consumers at the far side of a showroom might be confused as to the source of a PRS Singlecut until they examined the guitar in proximity. Such an application of the initial interest confusion doctrine would be too broad, the court held, because *at a distance* products of dissimilar shapes may appear similar to a trademarked product shape. In addition, any attempt to decide on the "vantage point" (where the confusion is alleged to have occurred) would be a "needlessly complicated and unworkable inquiry."²⁰ The court also expressed reservations as to whether initial interest confusion could appropriately be applied to a product shape trademark.

The court referred to a Sixth Circuit trade dress case, *Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Carl Roberts*,²¹ in which post-sale confusion was addressed. In *Ferrari*, the defendant manufactured a fiberglass kit mountable on an automobile to make the car look virtually identical to a Ferrari. Although point-of-sale confusion was not in issue, the court held that the sale of the inferior kits nevertheless would damage the reputation of Ferrari through post-sale confusion.

The Sixth Circuit distinguished *Ferrari* based on Gibson's concession that the PRS Singlecut was of comparable quality to the Gibson LP. In addition, as the record showed that Gibson's reputation would not be diminished by the sale of the PRS Singlecut, there was no viable claim based on a post-sale confusion theory.

With respect to Gibson's argument that musicians seeing a PRS Singlecut on a "distant stage" in a "smoky bar" might mistake it for a Gibson LP, the Sixth Circuit concluded that if a musician mistook the high-quality PRS Singlecut for a Gibson LP and desired such a guitar, he or she would purchase a Gibson LP, thus, boosting, rather than harming, Gibson's business.²²

Because the Court concluded that PRS did not infringe the LPTM, it did not reach the issue of the validity of the LPTM and, accordingly, denied as moot PRS's counterclaims that the LPTM was invalid as functional or generic.

Judge Cornelia G. Kennedy, concurring in part and dissenting in part, agreed that Gibson could not main-

tain its infringement claim on the theory of point-of-sale or post-sale confusion, but she dissented on the issue of initial interest confusion.²³ She was of the view that the initial interest confusion doctrine should apply to product shape trademarks provided the trademark owner can show that its mark is a source identifier. This is a difficult task if there are many products in similar shapes on the market, in which case a product shape alone would not indicate the source. In Judge Kennedy's view, PRS was not entitled to summary judgment, but she noted that PRS would "likely prevail" at trial on its argument that the LPTM did not signify source to guitar buyers because a similar body shape was offered by other guitar manufacturers and was common in the marketplace.²⁴

IV. Discussion

A. Initial interest confusion

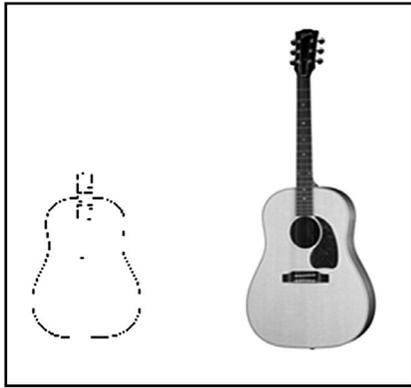
The Sixth Circuit posited that applying the initial interest confusion doctrine in the *Gibson Guitar* case (and most other product configuration trademark cases)²⁵ would inhibit legitimate competition from products with dissimilar shapes. The court was concerned that there are "only a limited number of shapes in which many products can be made."²⁶ This concern, however, seems to conflict with the spirit of the Supreme Court's rejection of the color depletion theory in *Qualitex v. Jacobson*.²⁷ If a source-identifying color can be registered and enforced as a trademark, there would seem to be no reason why a source-identifying product shape should not potentially be subject to the initial interest confusion doctrine. This "shape depletion theory" should be rejected along with the color depletion theory. As Judge Kennedy noted, once a product shape passes the threshold of being a source identifier, initial interest confusion can constitute infringement.

B. Functionality

Although the Sixth Circuit did not address PRS's counterclaim that the LPTM was invalid and should be canceled notwithstanding its incontestable status, there is a good argument that the LPTM is functional and generic.

To qualify for trademark registration, the shape of a guitar body must be non-functional under the *Morton-Norwich* test, pursuant to which it must be demonstrated that (a) no related utility or design patents for the shape are applied for; (b) advertising or promotional materials do not tout the utilitarian aspect of the shape; and (c) the shape does not contribute to the ease or economy of manufacture.²⁸ Availability of alternative designs may be relevant, but is not a dispositive. While the *Morton-Norwich* test does not precisely fit the LPTM, there is still a plausible argument to be made that the LPTM is a utilitarian or functional design:

- **Playability:** The parties agreed that the LPTM was based on a traditional shaped guitar, and the cutaway served the function of allowing the player to access the higher frets. The district court was of the view that the horn shape was not essential to the function of the guitar, but that shape was a result of the combined functional needs of upper-fret access and the need for the guitar to sit on a player's lap.



The RDTM and the Gibson Round-shouldered Dreadnought Acoustic Guitar

- **Tonal quality:** It is subject to debate whether a single or a double-cutaway guitar produces better sound. For example, in the case of *In re Gibson*,²⁹ the Trademark Trial and Appeal Board affirmed a refusal to register Gibson's round-shouldered dreadnought acoustic guitar body on the basis that it was functional, as Gibson's advertising claimed that the shape produced a better musical sound. There may be a similar argument that the shape of the LPTM is essential for its tonal quality.

Examples of body styles that arguably are less functional would be Gibson's Explorer, Flying V, Firebird, and Thunderbird, all of which Gibson has registered as trademarks.³⁰

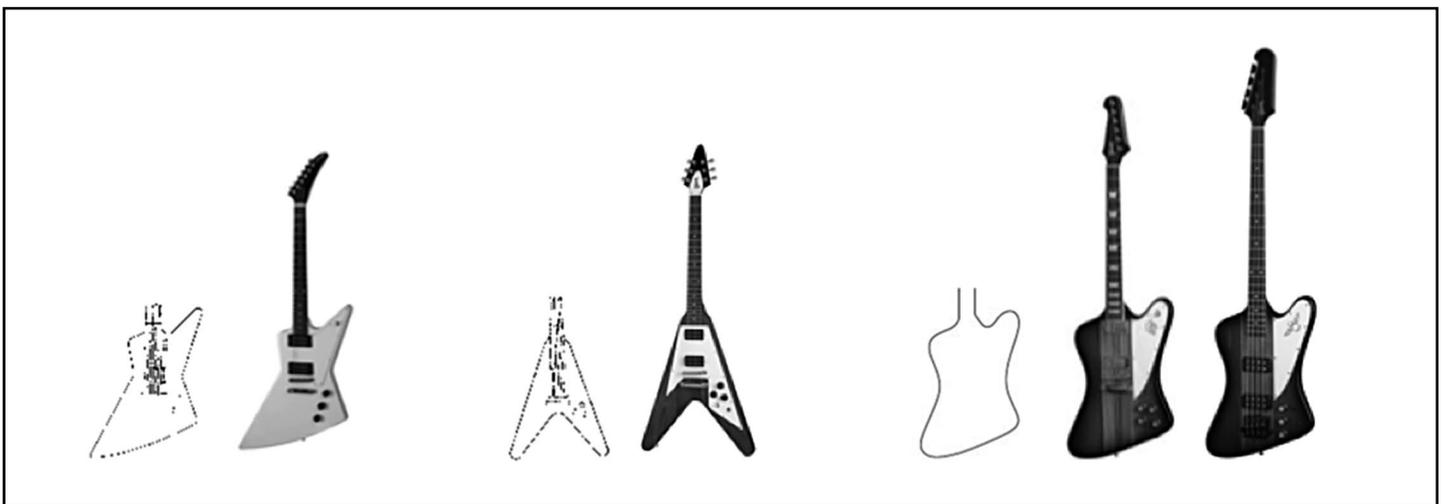
C. Secondary Meaning

In registering the LPTM, Gibson produced evidence showing that the mark was not generic and had acquired distinctiveness through use. A product design is generic if it (1) is overbroad or too generalized; (2) is the basic form of the type of product; or (3) is so common in the industry that it does not identify a particular source.³¹ Evidence of a company's failure to police its trade dress for decades would show that the trade dress is weak and has not acquired distinctiveness.³² A showing of secondary meaning does not save a generic mark,³³ and an incontestable mark that is a product design may be canceled if it is generic.³⁴

It can be argued that the LPTM is or has become generic through public use and therefore should be cancelled. For example, Fender was unable to register the body shapes of Stratocaster, Telecaster, and Precision Bass as trademarks because of its failure to police third-party uses that caused those body shapes to become generic.³⁵ Gibson's inability to enforce the LPTM trademark right against PRS may be a sign that the LPTM is losing distinctiveness as well and is approaching generic status.

V. Electric Spanish

Gibson is again center stage with its trademark application³⁶ for the body shape of its ES/Electric Spanish³⁷ line of guitars ("ESTM"). The application is being opposed by a plethora of guitar manufacturers, and the proceedings are currently suspended pending final determination of a related civil action.³⁸ To defeat the opposition, Gibson will need to show that the ES body shape satisfies the criteria discussed above. In addition to non-functionality, Gibson also must also show that the ESTM has acquired distinctiveness through use but that other



74570078 and the Gibson Explorer; 74570030 and the Gibson Flying V; 85218173, the Gibson Firebird and the Gibson Thunderbird



76516126 and the Fender Stratocaster; 76515928 and the Fender Telecaster; 76516127 and the Fender Precision Bass

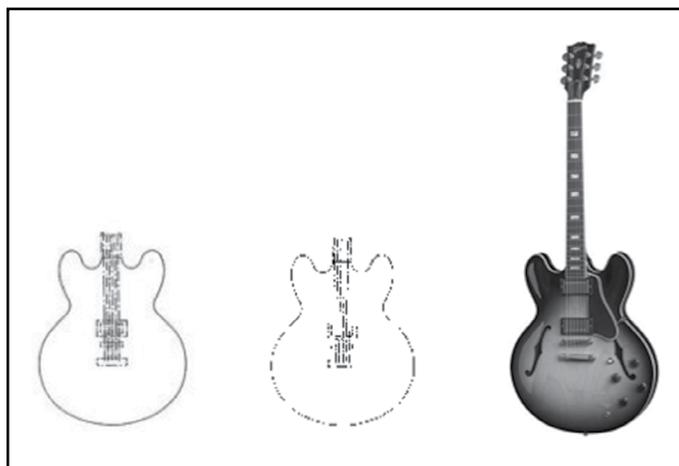
manufacturers have not used the shape to the extent that it has become generic.

If Gibson fails to make this showing, its earlier registration for the same mark³⁹ on the supplemental register also may become cancelable as functional or generic.⁴⁰

VI. Conclusion

Instrument manufacturers should note that:

- A trademark application for a guitar shape will only be successful if the shape is non-functional, and the shape must have acquired distinctiveness but not have become generic through third-party use.
- Emphasis on the functional advantages resulting from the shape may render the shape functional and thus ineligible for registration. Advertising should focus on educating the consumers to identify the brand with the shape and always include prominent trademark notices in relation to the body shape.



86168793, 74570029 and the Gibson ES-335.

- Continual policing of the market to stop other manufacturers from using a similar shape is crucial to prevent the shape from becoming generic. A generic trademark is unregistrable, and a registered trademark that has become generic is subject to cancellation.

Endnotes

1. Trademarks in the shape of guitar headstocks have also been registered and considered in cases, e.g., *Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572 (Fed. Cir. 1988).
2. See 1512 Relationship Between Design Patent, Copyright, and Trademark [R-08.2012], Manual of Patent Examining Procedure.
3. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995); see also 1202.02(a) Trademark Manual of Examining Procedure (“TMEP”) (8th ed.).
4. *Qualitex*, 514 U.S. at 165.
5. *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 215 (2000); see also 1202.02(b) TMEP.
6. 1202.02(b)(i) TMEP.
7. *Gibson Guitar Corp. v. Paul Reed Smith Guitars, LP*, 423 F.3d 539 (6th Cir. 2005).
8. Serial No. 73675665 filed on July 31, 1987 and registered on July 20, 1993 based on acquired distinctiveness.
9. *Gibson Guitar*, 423 F.3d at 544. For how a trademark owner may file a declaration to claim incontestability of a trademark between its fifth and sixth year of continuous use in commerce, see, e.g., <http://teas.uspto.gov/postreg/sect15> and <http://www.uspto.gov/learning-and-resources/trademark-faqs>.
10. *Gibson Guitar Corp. v. Paul Reed Smith Guitars, LP*, 311 F. Supp. 2d 690, 718 (M.D. Tenn. 2004).
11. *Id.* at 720.
12. *Id.* at 721.
13. *Id.* at 725.
14. *Id.* at 724.
15. *Id.* at 723.
16. *Gibson Guitar*, 423 F.3d at 544.
17. *Id.* at 545.

18. *Id.* at 546.
19. Likelihood of confusion is determined by considering the eight *Frisch* factors: (1) "strength of the plaintiff's mark," (2) "relatedness of the goods or services," (3) "similarity of the marks," (4) "evidence of actual confusion," (5) "marketing channels used," (6) "likely degree of purchaser care," (7) "the defendant's intent in selecting its mark," and (8) "likelihood of expansion of the product lines." *Jet, Inc. v. Sewage Aeration Sys.*, 165 F.3d 419, 422 (Fed. Cir. 2000) (citing *Frisch's Rests., Inc. v. Elby's Big Boy of Steubenville, Inc.*, 670 F.2d 642, 648 (6th Cir. 1982)).
20. *Gibson Guitar*, 423 F.3d at 551.
21. 944 F.2d 1235 (6th Cir. 1991).
22. *Gibson Guitar*, 423 F.3d at 553.
23. *Id.* at 553-54.
24. *Id.* at 556.
25. The court stated: "Given the limited fact situation we have before us, we do *not* go so far as to hold that there is *never* a circumstance in which it would be appropriate to apply the initial-interest-confusion doctrine to a product-shape trademark. However, we are unable to imagine such a situation at this juncture, and we do hold that the doctrine cannot apply on the facts of this case." *Id.* at 551.
26. *Id.*
27. *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159 (1995).
28. *In re Morton-Norwich Products, Inc.*, 671 F.2d 1332, 213 USPQ 9 (CCPA 1982).
29. *In re Gibson Guitar Corp.* 61 U.S.P.Q.2d 1948 (TTAB 2001).
30. Serial No. 74570078 filed on September 6, 1994 and registered on April 22, 1997 (Explorer); Serial No. 74570030 filed on September 6, 1994 and registered on April 15, 1997 (Flying V); Serial No. 85218173 filed on January 14, 2011 and registered on March 6, 2012 on acquired distinctiveness (Firebird/ Thunderbird).
31. *Walker & Zanger Inc v. Paragon Industries Inc.*, 465 F. Supp.2d 956, 84 U.S.P.Q.2d 1981, 1985 (N.D. Cal. 2006).
32. *Abercrombie & Fitch Stores Inc. v. American Eagle Outfitters Inc.*, 280 F.3d 619, 61 (6th Cir. 2002).
33. *Id.*
34. *Sunrise Jewelry Manufacturing Corp. v. Fred S.A.*, 175 F.3d 1322 (Fed. Cir. 1999).
35. *Stuart Spector Designs, Ltd. v. Fender Musical Instruments Corp.*, 94 U.S.P.Q.2d 1549 (T.T.A.B. 2009).
36. Serial No. 86168793, filed Jan. 17, 2014.
37. Michael Leonard, A Guitar Geek's Guide to Gibson ES Models (07.03.2014), <http://www.gibson.com/news-lifestyle/features/en-us/a-guitar-geek-s-guide-to-gibson-es-models.aspx>.
38. Opposition No.91218879 suspended pending final determination of civil action, Trademark Trial and Appeal Board Inquiry System, at <http://ttabvue.uspto.gov/ttabvue/>.
39. Serial No. 74570029 filed on September 6, 1994 and registered on October 8, 1996 on the Supplemental Register.
40. 15 U.S.C. §§ 1092, 1094, and 1064(3).

David Ma (LLM, Stanford) is admitted to practice law in Hong Kong, England & Wales and the State of California. He currently is in-house counsel for a multinational Internet company. A version of this article was first published in the Vol. 26, No. 3 of the NYSBA Entertainment, Arts and Sports Law Journal (Fall/Winter 2015).

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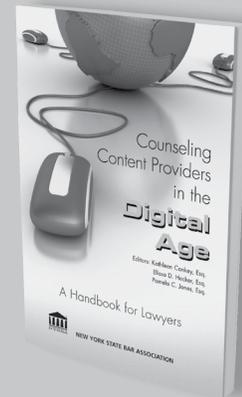
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Counseling Content Providers in the Digital Age *A Handbook for Lawyers*



For as long as there have been printing presses, there have been accusations of libel, invasion of privacy, intellectual property infringements and a variety of other torts. Now that much of the content reaching the public is distributed over the Internet, television (including cable and satellite), radio and film as well as in print, the field of pre-publication review has become more complicated and more important. *Counseling Content Providers in the Digital Age* provides an overview of the issues content reviewers face repeatedly.

Counseling Content Providers in the Digital Age was written and edited by experienced media law attorneys from California and New York. This book is invaluable to anyone entering the field of pre-publication review as well as anyone responsible for vetting the content of their client's or their firm's Web site.

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PRODUCT INFO AND PRICES

2010 / 480 pages,
softbound / PN: 4063

\$55 NYSBA Members
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*Discount good through December 31, 2016.

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MEMBERSHIP APPLICATION

New York State Bar Association

INTELLECTUAL PROPERTY LAW SECTION

Membership in the New York State Bar Association's Intellectual Property Law Section is a valuable way to:

- enhance professional skills;
- keep up-to-date with important developments in the legal profession;
- join colleagues in exciting Section events.

OPPORTUNITIES FOR EDUCATION

The Intellectual Property Law Section offers both the experienced and novice practitioner excellent opportunities to enhance their practical and legal knowledge and expertise. Through Section activities, including conferences on intellectual property (an annual Winter event), members may examine vital legal developments in intellectual property law. The Section's Web site provides current information regarding Section events and offers "members only" access to current issues of *Bright Ideas* and current Committee bulletins providing updates on intellectual property law. The Section sponsors continuing legal education (CLE) credit-bearing programs for Section members at reduced rates. Recent programs offered by the Section related to computer software and biotechnology protection, conducting intellectual property audits, and practical considerations in trade secret law. Now, with Mandatory Continuing Legal Education (MCLE) requirements, Intellectual Property Law Section membership is more valuable than ever before! The Section also sponsors joint programs with Law Schools including an annual writing contest for law students wherein the winning articles appear in an issue of *Bright Ideas*.

OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT

Intellectual Property Law Section committees address unique issues facing attorneys, the profession and the public. The Section offers opportunities to serve on committees such as Copyright Law; Diversity Initiative; Ethics; Greentech; International IP Law; Internet & Technology Law; Legislative/Amicus; Litigation; Patent Law; Pro Bono and Public Interest; Trademark Law; Trade Secrets; Transactional Law; and Young Lawyers.

Committees allow you to network with other attorneys from across the state and give you the opportunity to research issues and influence the laws that can affect your practice. Committees are also an outstanding way to achieve professional development and recognition. Law students are automatically members of the Young Lawyers Committee. Section members may join more than one committee.

A VOICE IN THE ASSOCIATION

The Intellectual Property Law Section takes positions on major professional issues that affect practitioners and advocates those positions within the New York State Bar Association, the legislature, and the public.

See page 24 to become a member of the Intellectual Property Law Section

COMMITTEE ASSIGNMENT REQUEST

Please designate, from the list below, those committees in which you wish to participate. For a list of Committee Chairs and their e-mail addresses, please refer to page 25 of this issue.

- | | |
|--|---|
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Please e-mail your committee selection(s) to IntellectualProperty@nysba.org

* * *

To be eligible for membership in the Intellectual Property Law Section, you first **must** be a member of the NYSBA.

- As a member of the NYSBA, I enclose my payment of \$30 for Intellectual Property Law Section dues. (Law student rate: \$15)
- I wish to become a member of the NYSBA and the Intellectual Property Law Section. I enclose both an Association and Section application with my payment.
- Please send me a NYSBA application. No payment is enclosed.

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Submission of Articles

Anyone wishing to submit an article, announcement, practice tip, etc., for publication in an upcoming issue of *Bright Ideas* is encouraged to do so. Articles should be works of original authorship on any topic relating to intellectual property. Submissions may be of any length.

Submissions should preferably be sent by e-mail to Jonathan Bloom, Editor-in-Chief, at the address indicated on this page. Submissions for the Spring 2017 issue must be received by March 1, 2017.

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ISSN 1530-3934 (print) ISSN 1933-8392 (online)

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A Guide for Non-New York Attorneys

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New York Contract Law: A Guide for Non-New York Attorneys is an invaluable reference allowing the practitioner to quickly and easily gain an understanding of New York Contract Law. Many contracts involving parties outside the United States contain a New York choice-of-law clause and, up until now, the foreign practitioner had no practical, authoritative reference to turn to when they had a question regarding New York Law. *New York Contract Law: A Guide for Non-New York Attorneys* fills this void. In addition to lawyers outside the United States, this book will also benefit lawyers within the United States whose practice includes advising clients regarding contracts governed by New York Law.

Written by Glen Banks, Esq., a recognized authority on contract law with over 35 years' experience, this book is presented in an easy-to-read question-and-answer format to allow easy access to a wide array of topics. All aspects of contract law are covered, from the basic requirements of a valid contract to a contract's termination, assignment or repudiation. Particular agreements and clauses are discussed as well as the role of counsel when working on a transaction governed by New York Law. Resources for further study and to keep up on changes in New York Law are also provided.

For your convenience, *New York Contract Law: A Guide for Non-New York Attorneys* can be purchased in hard copy (which includes a CD containing the entire book in a searchable, pdf format) or can be downloaded as an e-book in a pdf format.

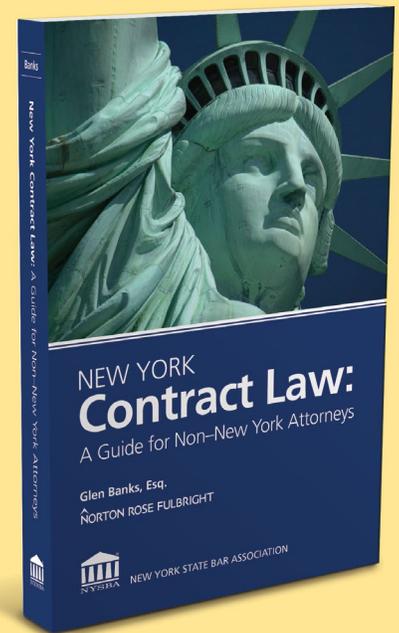
Key Discussions

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When is a breach excused?
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